

2017 Longboard
Alternative
Growth Fund

ANNUAL UPDATE

Alternative
Growth Fund **LONGX**
2017 Performance
at a Glance

+19.29% in 2017

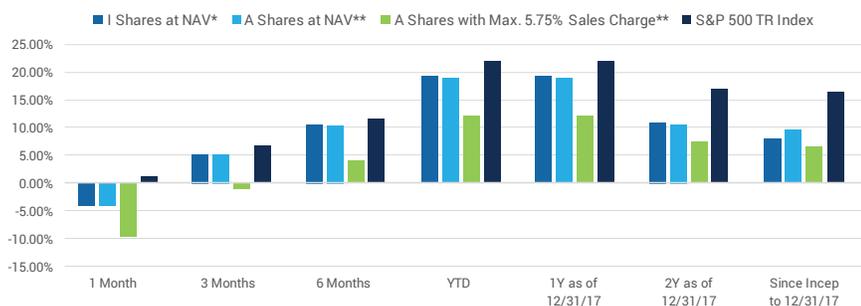
2017 Recap

The fund returned 19.29% in 2017. Gains came from U.S. equities across the board, including financials, technology, industrial and consumer discretionary stocks.

The rally in U.S. stocks set records in 2017 as the S&P 500 posted a gain in every month of the year for the first time ever. Even better, this winning streak came with record calm. The CBOE Volatility Index registered its

Annualized Returns

As of 12/31/17



Beta: 0.62 (4/1/2015 to 12/31/2017)

Total Annual Operating Expenses for the Longboard Alternative Growth Fund are 2.24% and 1.99% for Class A and I, respectively. The performance data quoted here represents past performance. Current performance may be lower or higher than the performance data quoted above. Investment return and principal value will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. For performance information current to the most recent month-end, please call toll-free 855.294.7540.

You cannot directly invest in an index. Unmanaged index returns do not reflect any fees, expenses or sales charges. Past performance is no guarantee of future results. S&P 500 TR Index annualized returns are since inception of the A-share (12/9/15).

*Inception date of the I-share is 3/19/15

**Inception date of the A-share is 12/9/15

Returns through 12/31/2017	1 Month	3 Months	6 Months	YTD	1Y as of 12/31/17	2Y as of 12/31/17	Since Inception to 12/31/17
I Shares at NAV	-4.03%	5.18%	10.48%	19.29%	19.29%	10.84%	7.87%
A Shares at NAV	-4.08%	5.11%	10.40%	18.92%	18.92%	10.53%	9.58%
A Shares with Max. 5.75% Sales Charge	-9.61%	-0.90%	4.00%	12.03%	12.03%	7.32%	6.47%
S&P 500 TR Index	1.11%	6.64%	11.42%	21.83%	21.83%	16.79%	16.23%

2017 Longboard Alternative Growth Fund: Annual Update

lowest average reading on record. The market did not trade in negative territory at any point during the year—a market feat only achieved 10 times going back to 1928. The best sector performance included a 39% rise in information technology, 24% gains in materials and a 23% rally in consumer discretionary. Energy and telecoms underperformed, with each sector posting declines of 1%.

Improving earnings and economic growth fueled the bull market in both U.S. stocks and global risk assets. The S&P 500 generated earnings growth of 14%, closely trailing the 19% rise in the price of the index. Global growth paired with the falling U.S. dollar provided powerful tailwinds for earnings, particularly for multinational companies selling into overseas markets. Financials benefitted from de-regulation efforts by the new administration. The recent U.S. tax overhaul, the most comprehensive tax reform in three decades, further fueled the rally going into year-end. Rising interest rates from the U.S. Federal Reserve failed to halt the rally in risk assets. In fact, higher interest rates boosted the financial sector's earnings, due to rising net-interest margins.

2018 Outlook

The persistent, broad-based uptrends in today's U.S. stock market mean only one thing: it's a bull market. As disciplined, systematic, long term trend followers, we enter 2018 with healthy long exposure to upward-trending U.S. stocks across the board. Of course, as with any bull market, there are plenty of reasons for skepticism. The list of concerns ranges from stretched valuations and rising interest rates to the escalating tensions on the Korean Peninsula. Plus, by historical standards, today's bull market is long in the tooth. However, history also shows that late-stage bull markets, where prices extend far beyond what many believe rational, offer some of the most fertile environments for profits.

That said, the strength in our investing approach lies in avoiding market forecasts. Our disciplined approach of following price means that we will maintain exposure while the market trends remain positive. We will reduce exposure if volatility increases and trends reverse. Looking ahead, there is likely just as much chance for another year of gains as there is for a reversal into a bear market. We feel prepared for such uncertainty, as our rules-based approach hinges on the idea that future price trends are inherently uncertain. In today's environment, it's more important than ever for investors to implement strategies with exposure to further upside, while also maintaining a plan to manage downside risks.

Correlation Matrix

Monthly, from March 2015 to December 2017

		1	2	3	4	5	6	7	8
1	Longboard Alternative Growth Fund I	1.00							
2	S&P 500 TR Index	0.44	1.00						
3	S&P 400 Mid-Cap TR Index	0.43	0.89	1.00					
4	Russell 2000 Small-Cap TR Index	0.38	0.79	0.95	1.00				
5	S&P 500 Dividend Aristocrats Index	0.48	0.90	0.86	0.75	1.00			
6	S&P 500 Low Volatility Index	0.72	0.77	0.63	0.47	0.84	1.00		
7	MSCI USA Momentum TR Index	0.61	0.83	0.64	0.52	0.77	0.84	1.00	
8	Credit Suisse Long-Short Equity Index	0.39	0.67	0.48	0.44	0.45	0.44	0.79	1.00

Index performance in this document was sourced from third party sources deemed to be accurate, but is not guaranteed. All index performance is gross of fees. Investors cannot invest directly in the indices referenced in this document.

DISCLOSURES

PROSPECTUS OFFERING DISCLOSURE

Investors should carefully consider the investment objectives, risks, charges and expenses of the Longboard Alternative Growth Fund. This and other important information about the Fund is contained in the prospectus, which can be obtained at <http://www.longboardmutualfunds.com> or by calling 855-294-7540. The prospectus should be read carefully before investing. The Longboard Alternative Growth Fund is distributed by Northern Lights Distributors, LLC, a FINRA/SIPC member. Longboard Asset Management, LP, is not affiliated with Northern Lights Distributors, LLC.

MUTUAL FUND RISK DISCLOSURE – WAVIX WAVEX

Mutual funds involve risk including possible loss of principal. There is a risk that issuers and counterparties will not make payment on securities and other investments held by the fund, resulting in loss. The fund's use of derivatives (including futures, forward contracts and swap agreements) involves risks different from and possibly greater than those associated with investing directly in securities including leverage risk, counterparty default risk, tracking risk and liquidity. The price of equity security fluctuates based on changes in a company's financial condition and overall market and economic conditions. Investments in ETFs may involve extra expenses and may not perform as expected and may not replicate the performance of the underlying index.

Fixed income securities could lose value due to interest rate changes. ADRs are subject to fluctuations in foreign currencies, political and economic instability, differences in financial reporting, security regulation, trading and taxation issues. The successful use of forward and futures contracts draws on the Adviser's skill and experience in predicting market movement. Risks include imperfect correlation, illiquid secondary markets, unanticipated market movements, counterparty default, and potentially selling securities when disadvantageous to do so. The success of the fund's hedging strategy is subject to the Advisor's ability to correctly assess market performance and correlation of the instruments used in the hedging strategy and the investments in the portfolio.

The fund may trade more, incurring higher brokerage fees and tax liability to shareholders. The fund has a limited history of operation and an investment entails a high degree of risk. Large Cap companies may be unable to respond quickly to new competitive challenges such as changes in consumer tastes. Small Cap and Mid-Cap companies may be volatile and vulnerable to adverse business or economic events. The fund is 'non-diversified' and changes in the value of a single security may have a significant effect on the fund's value. The fund may have investments that appreciate or decrease significantly over short periods. The value of REIT securities may be adversely affected by changes in the value of the underlying property the REIT holds. Short positions may be considered speculative and losses are potentially unlimited.

PERFORMANCE DISCLOSURE

The Total Annual Fund Operating Expenses for the Longboard Alternative Growth Fund class I and class A are 1.99% and 2.24%, respectively. The performance data quoted here represents past performance. Current performance may be lower or higher than the performance data quoted above. Investment return and principal value will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. Past performance is no guarantee of future results. For performance information current to the most recent month-end, please call toll-free 855.294.7540.

There is no guarantee that any investment will achieve its objectives, generate positive returns, or avoid losses.

You cannot directly invest in an index. Unmanaged index returns do not reflect any fees, expenses or sales charges. Past performance is no guarantee of future results.

Credit Suisse Long/Short Equity Index: The Dow Jones Credit Suisse Long/Short Equity Index is an asset weighted hedge fund index derived from the TASS database of more than 5,000 funds. The directional strategy involves equity-oriented investing on both the long and short sides of the market. The objective is not to be market neutral. Managers have the ability to shift from the value to growth, from small to medium to large capitalization stocks, and from a net long position to a net short position. Managers may use futures and options to hedge. The focus may be regional, such as long/short U.S. or European equity, or sector-specific, such as long and short technology or health care stocks. Long/short equity funds tend to build and hold portfolios that are more concentrated than those in traditional stock funds.

Dow Jones Composite All REIT TR USD: The Dow Jones Composite All REIT TR Index contains all publicly traded U.S. REITs in the S&P Dow Jones Indices U.S. stock universe that are classified into one of three subcategories – equity, mortgage or hybrid – as defined by the REIT/ RESI Industry Classification Hierarchy.

MSCI USA Momentum Index: The MSCI USA Momentum Index is based on MSCI USA Index, its parent index, which captures large and mid cap stocks of the US market. It is designed to reflect the performance of an equity momentum strategy by emphasizing stocks with high price momentum, while maintaining reasonably high trading liquidity, investment capacity and moderate index turnover.

Russell 2000 TR Index: An index measuring the performance approximately 2000 small-cap companies in the Russell 3000 Index, which is made up of 3000 of the biggest U.S. stocks.
S&P 400 Midcap TR Index: Standard and Poor's Midcap 400 Index is a capitalization-weighted index which measures the performance of the mid-range sector of the U.S. stock market. This index represents the Total return version of MID.
Russell 2000 TR Index: The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 8% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.

S&P 500 Dividend Aristocrats TR Index: The S&P 500 Dividend Aristocrats index is designed to measure the performance of S&P 500 index constituents that have followed a policy of consistently increasing dividends every year for at least 25 consecutive years.
S&P 500 Low Volatility TR Index: The S&P 500 Low Volatility Index is designed to measure the performance of the 100 least volatile stocks of the S&P 500 Index. Volatility is defined as the standard deviation of the security computed using the daily price returns over 252 trading days.

S&P 500 TR Index: A stock market index based on the market capitalizations of 500 leading companies publicly traded in the U.S. stock market, as determined by Standard & Poor's. In this presentation, the S&P 500 is presented as a total return index which reflects the effects of dividend reinvestment.

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